

DD / S E L C I S T R E

F I L E

15 April 1965

MEMORANDUM FOR: Director, Office of Budget, Program Analysis and Manpower

THROUGH : Deputy Director for Science and Technology

SUBJECT : Report to Bureau of the Budget on Automatic Data Processing--Question of Security Classification

1. The purpose of this memorandum is to state the OCS understanding re the question of security classification for the subject annual report and to make the recommendations stated in paragraph 9. This question has recently been discussed in some detail by representatives of OBPAM and OCS.

2. The first such annual report contained in our records was submitted in December 1959. That report was unclassified. Most of the Agency's ADP activities at that time dealt with punched card (EAM) equipment. However, the ALWAC and IBM 650 computers were reported to be in use in the Agency as "a key item in a system being developed to obtain precise measurements from photography on a volume basis" and "for performance of the document locators and file charge-out operations," respectively.

3. An unclassified report has been submitted to BOB annually since 1959. Last year (February 64), after much discussion of the security problem with the Agency's ADP operational components and between OCS and OBPAM, the Agency submitted its report, specifically advising BOB that the report was unclassified.

4. Prior to submission of the subject report this year, the question of security was again coordinated by OCS and the decision reached (once more) that the information therein re computer use was unclassified. The security classification re the budgetary, program, and manpower picture contained therein has been left to OBPAM.

5. Within the past few days your Office asked OCS to reconsider the question of security classification for the subject report. Thereupon, we again checked with the DD/P. In a telecon, the Chief, DD/P Systems Group indicated that the DD/P is increasingly concerned about security of its AIF matters and he therefore now strongly favors classifying the subject report. In a second telecon, he informed us that the DD/P will insist that information relating to the DD/P which is contained in the subject report be classified.

6. Arguments against classification of subject report:

- a. ADP equipment and equipment cost figures contained therein relate only to unclassified purchases and lease arrangements with private industry (equipment vendors).
- b. Equipment is identified only as being used by the CIA-- Agency components are not identified.
- c. The equipment is identifiable only as general purpose, standard hardware--used throughout the Government and private industry for a wide range of applications.
- d. Applications are identified only as "classified" or "management support," etc.
- e. Comparable reports have been submitted on an unclassified basis annually since 1959.
- f. Pressure from BOB, GAO, Congress, etc., are increasing for more reporting and Government-wide control of ADP activities. If classification of CIA's reporting is questionable, it might be construed negatively in this Government-wide context.

7. Arguments for classification of subject report:

- a. Part of the Agency's budgetary and manpower picture is revealed.
- b. Some measure of the Agency's reliance on ADP is revealed.
- c. Allocation of CIA resources to its ADP activities will constitute an increasingly significant segment of total Agency resources in the years to come.

8. Information derived from this annual report to BOB is published by the Government. It prematurely informs vendors of ADP hardware and software (and the rest of the world) of tentative as well as firm ADP plans on the part of Government agencies. (The degree to which this is a security problem per se to CIA should be considered.) The Preface to the annual Inventory of ADP Equipment in the Federal Government, which stems from this reporting,

states that "equipment which is used in military operational and certain classified activities within the Department of Defense" is excluded. Historically, FIA and CIA installations have been reported, but NSA is not in the inventory publication.

9. In consideration of the foreseeable expanded role that ADP will play in relation to this Agency's classified programs and the increasingly significant allocation of Agency manpower and budgetary resources to these ADP activities, I recommend that the subject annual report be classified. As a minimum step, I recommend that the information submitted therein be restricted from publication and controlled within Government channels.

JOSEPH BECKER
Assistant Director,
Computer Services

cc: Executive Director - Comptroller
DD/I
DD/S
DD/P
Director of Security

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